

SENATE BILL NO. 388—COMMITTEE ON TAXATION

MARCH 29, 2005

Referred to Committee on Taxation

SUMMARY—Revises amount of state licensing fee required from certain businesses engaged in gaming. (BDR 41-821)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to business; revising the amount of the state licensing fee required from certain businesses engaged in gaming; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 463.370 is hereby amended to read as follows:
2 463.370 1. Except as otherwise provided in NRS 463.373,
3 the Commission shall charge and collect from each licensee a
4 license fee based upon all the gross revenue of the licensee as
5 follows:
6 (a) Three and one-half percent of all the gross revenue of the
7 licensee which does not exceed ~~[\$50,000]~~ ***\$250,000*** per calendar
8 month;
9 (b) Four and one-half percent of all the gross revenue of the
10 licensee which exceeds ~~[\$50,000]~~ ***\$250,000*** per calendar month and
11 does not exceed ~~[\$134,000]~~ ***\$650,000*** per calendar month; and
12 (c) Six and three-quarters percent of all the gross revenue of the
13 licensee which exceeds ~~[\$134,000]~~ ***\$650,000*** per calendar month.
14 2. Unless the licensee has been operating for less than a full
15 calendar month, the Commission shall charge and collect the fee
16 prescribed in subsection 1, based upon the gross revenue for the
17 preceding calendar month, on or before the 24th day of the



1 following month. Except for the fee based on the first full month of
2 operation, the fee is an estimated payment of the license fee for the
3 third month following the month whose gross revenue is used as its
4 basis.

5 3. When a licensee has been operating for less than a full
6 calendar month, the Commission shall charge and collect the fee
7 prescribed in subsection 1, based on the gross revenue received
8 during that month, on or before the 24th day of the following
9 calendar month of operation. After the first full calendar month of
10 operation, the Commission shall charge and collect the fee based on
11 the gross revenue received during that month, on or before the 24th
12 day of the following calendar month. The payment of the fee due for
13 the first full calendar month of operation must be accompanied by
14 the payment of a fee equal to three times the fee for the first full
15 calendar month. This additional amount is an estimated payment of
16 the license fees for the next 3 calendar months. Thereafter, each
17 license fee must be paid in the manner described in subsection 2.
18 Any deposit held by the Commission on July 1, 1969, must be
19 treated as an advance estimated payment.

20 4. All revenue received from any game or gaming device
21 which is operated on the premises of a licensee, regardless of
22 whether any portion of the revenue is shared with any other person,
23 must be attributed to the licensee for the purposes of this section and
24 counted as part of the gross revenue of the licensee. Any other
25 person, including, without limitation, an operator of an inter-casino
26 linked system, who is authorized to receive a share of the revenue
27 from any game, gaming device or inter-casino linked system that is
28 operated on the premises of a licensee is liable to the licensee for
29 that person's proportionate share of the license fees paid by the
30 licensee pursuant to this section and shall remit or credit the full
31 proportionate share to the licensee on or before the 24th day of each
32 calendar month. The proportionate share of an operator of an inter-
33 casino linked system must be based on all compensation and other
34 consideration received by the operator of the inter-casino linked
35 system, including, without limitation, amounts that accrue to the
36 meter of the primary progressive jackpot of the inter-casino linked
37 system and amounts that fund the reserves of such a jackpot, subject
38 to all appropriate adjustments for deductions, credits, offsets and
39 exclusions that the licensee is entitled to take or receive pursuant to
40 the provisions of this chapter. A licensee is not liable to any other
41 person authorized to receive a share of the licensee's revenue from
42 any game, gaming device or inter-casino linked system that is
43 operated on the premises of the licensee for that person's
44 proportionate share of the license fees to be remitted or credited to
45 the licensee by that person pursuant to this section.



1 5. An operator of an inter-casino linked system shall not enter
2 into any agreement or arrangement with a licensee that provides for
3 the operator of the inter-casino linked system to be liable to the
4 licensee for less than its full proportionate share of the license fees
5 paid by the licensee pursuant to this section, whether accomplished
6 through a rebate, refund, charge-back or otherwise.

7 6. Any person required to pay a fee pursuant to this section
8 shall file with the Commission, on or before the 24th day of each
9 calendar month, a report showing the amount of all gross revenue
10 received during the preceding calendar month. Each report must be
11 accompanied by:

12 (a) The fee due based on the revenue of the month covered by
13 the report; and

14 (b) An adjustment for the difference between the estimated fee
15 previously paid for the month covered by the report, if any, and
16 the fee due for the actual gross revenue earned in that month. If the
17 adjustment is less than zero, a credit must be applied to the
18 estimated fee due with that report.

19 7. If the amount of license fees required to be reported and paid
20 pursuant to this section is later determined to be greater or less than
21 the amount actually reported and paid, the Commission shall:

22 (a) Charge and collect the additional license fees determined to
23 be due, with interest thereon until paid; or

24 (b) Refund any overpayment to the person entitled thereto
25 pursuant to this chapter, with interest thereon.

26 ↪ Interest pursuant to paragraph (a) must be computed at the rate
27 prescribed in NRS 17.130 from the first day of the first month
28 following the due date of the additional license fees until paid.
29 Interest pursuant to paragraph (b) must be computed at one-half the
30 rate prescribed in NRS 17.130 from the first day of the first month
31 following the date of overpayment until paid.

32 8. Failure to pay the fees provided for in this section shall be
33 deemed a surrender of the license at the expiration of the period for
34 which the estimated payment of fees has been made, as established
35 in subsection 2.

36 9. Except as otherwise provided in NRS 463.386, the amount
37 of the fee prescribed in subsection 1 must not be prorated.

38 10. Except as otherwise provided in NRS 463.386, if a licensee
39 ceases operation, the Commission shall:

40 (a) Charge and collect the additional license fees determined to
41 be due with interest computed pursuant to paragraph (a) of
42 subsection 7; or

43 (b) Refund any overpayment to the licensee with interest
44 computed pursuant to paragraph (b) of subsection 7,



- 1 ↳ based upon the gross revenue of the licensee during the last 3
2 months immediately preceding the cessation of operation, or
3 portions of those last 3 months.
- 4 11. If in any month, the amount of gross revenue is less than
5 zero, the licensee may offset the loss against gross revenue in
6 succeeding months until the loss has been fully offset.
- 7 12. If in any month, the amount of the license fee due is less
8 than zero, the licensee is entitled to receive a credit against any
9 license fees due in succeeding months until the credit has been fully
10 offset.
- 11 **Sec. 2.** This act becomes effective on January 1, 2006.

